

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF SALT RIVER ELECTRIC	)	
COOPERATIVE CORPORATION TO INCLUDE	)	CASE NO. 95-590
RECOVERY OF DEBT COLLECTION EXPENSE	)	

O R D E R

On September 13, 1995, Salt River Electric Cooperative Corporation ("Salt River") filed a tariff to revise its rules and regulations to provide that delinquent customers are responsible for all costs incurred in collecting the indebtedness. The tariff proposed by Salt River provides that: "Any and all reasonable costs and/or fees incurred in the process of attempting to satisfy an applicant's indebtedness to the Cooperative shall be borne by the account holder/holders." Appended to the tariff was an agreement with a collection agency whose fees are based on the percentage of the amount collected.

The Commission, having considered the tariff and being sufficiently advised, hereby finds that costs of collecting delinquent accounts are properly borne by those customers who are indebted to the utility. While the wisdom of utilizing a collection agency to recover past due utility accounts has not been fully demonstrated, it appears to be reasonable. Therefore, the Commission will approve Salt River's tariff and monitor its effectiveness.

IT IS THEREFORE ORDERED that:

1. Salt River's proposed tariff is approved.

2. Salt River shall semi-annually file a report containing the information set forth in Appendix A attached hereto and incorporated herein by reference.

Done at Frankfort, Kentucky, this 3rd day of January, 1996.

PUBLIC SERVICE COMMISSION

Spida K Breathitt  
Chairman

Vice Chairman

Robert M. Davis  
Commissioner

ATTEST:

Don Mills  
Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 95-590 DATED JANUARY 3, 1996

The following information is to be furnished in the semi-annual reports of Salt River:

1. The number of accounts terminated for nonpayment.
2. The number of accounts collected due to Salt River's own collection efforts.
3. The number of accounts turned over to a collection agency.
4. The dollar amount of the accounts turned over to a collection agency.
5. The dollar amount collected by the collection agency.